

FINANCIAL ASSISTANCE PROGRAMS

Financial Assistance Programs / Tax Credits Available to Chula Vista Firms

ACCIÓN SAN DIEGO MICRO-LOANS

Micro-businesses in operation more than 6 months may be eligible for financial assistance provided by ACCIÓN San Diego. A private, non-profit offering micro loans ranging from \$300-\$25,000, ACCIÓN San Diego is part of the ACCIÓN Network, an international micro-enterprise support program. ACCIÓN loans can be used for purchase of business assets such as inventory, machinery, raw materials or other working capital needs. The loans are financed at competitive interest rates, but have few or no collateral requirements to assist businesses in developing a credit history.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

ACCION
(619) 685-1380

CALIFORNIA EXPORT FINANCE OFFICE LOAN GUARANTEES

The California Export Finance Office (CEFO) offers exporters working capital loan guarantees to finance specific export transactions. The short-term guarantees (typically 18 months) are available to small to medium-sized companies and can be used to finance the purchase of materials, services and labor pre-shipment or used to extend post-shipment payment terms to approved foreign buyers. Up to 90% of a loan can be guaranteed, to a maximum amount of \$750,000.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

CEFO
(619) 645-2492

CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMITTEE

The California Industrial Development Financing Advisory Commission (CIDFAC) assists California Manufacturing businesses in funding up to \$2 million for capital expenditures for acquisitions or expansions. The program allows a business to borrow funds at competitive rates through the issuance of tax-exempt bonds enhanced by a letter of credit. Priority will be given to those small businesses that create jobs in distressed areas.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

Gompper-Group
(858) 495-5170
E-mail: cgomppch@co.sandiego.ca.us

CALIFORNIA SMALL BUSINESS LOAN GUARANTEES

California's Small Business Loan Guarantee Program is designed to assist small businesses unable to obtain conventional financing in raising capital while establishing a favorable credit history. Administered by the California Southern Financial Development Corporation with participation by local financial lenders, the loans can be used for any standard business purpose, including expansion into new facilities, purchase of new equipment and development of new markets. Up to 90% of the loan can be guaranteed, not to exceed a guaranteed amount of \$350,000; micro-loans up to \$25,000 can be fully guaranteed. *(Note: This program is separate from federal SBA loan guarantee programs.)*

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

California Southern Financial Development Corporation
(619) 232-7771
or participating Chula Vista financial lenders

CDC SMALL BUSINESS FINANCE

CDC Small Business Finance (CDC) is certified by the U.S. Small Business Administration (SBA) to provide low-interest financial support, including a variety of loan and loan guarantee programs to small businesses in San Diego, Orange, Riverside and Imperial Counties. CDC works in coordination with more than 70 financial institutions and government agencies, assisting local companies to assemble loan packages, review credit information, perform loan analyses, submit applications and locate competitive lenders.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

CDC Small Business Finance
(619) 291-3594



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REFERENCE BOOK
2003 Edition

CALIFORNIA TECHNOLOGY INVESTMENT PARTNERSHIP (CaITIP)

Each year, the U.S. government sets aside billions of dollars for high-tech research and development. California's Technology Investment Partnership Program (CaITIP) can offer matching grants of up to 25 percent for a federally funded technology-based commercial R&D project up to a maximum match of \$250,000. The City of Chula Vista can partner with the San Diego Regional Technology Alliance to assist companies in seeking matching grants for any on-going federally funded commercial R&D and/or with conducting new, targeted federal grant searches.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

SDRTA
(619) 615-1050
www.sdrta.org

CHULA VISTA DIRECT LOANS / LOAN GUARANTEES

Under the City's Section 108 Loan / Loan Guarantee Program, eligible companies can receive assistance in financing the acquisition or construction of commercial and industrial buildings, as well as other real property equipment and improvements. The City can make direct loans using its own credit determinations, exceeding conventional loan-to-value ratios for long term assets, and offering extended maturities, lower equity requirements, and/or fixed rates. The City can also provide loan guarantees for private financing. Direct loans and loan guarantees are negotiated and structured on a case-by-case basis and must be approved by the Chula Vista City Council and by the U.S. Department of Housing and Urban Development. The City's total funding authority is \$10 million.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

EMPLOYMENT TRAINING PANEL (ETP) REIMBURSEMENTS

The State's Employment Training Panel (ETP) program is designed to assist California businesses in acquiring and retaining the high skilled workforce needed to increase competitiveness and productivity. Manufacturers and companies facing out-of-state competition qualify. ETP reimburses employers for the cost to train employees in customized, job-linked training programs. Reimbursements average \$2,000 per employee.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

ETP Representative
(619) 645-2661
www.etp.cahwnet.gov

EmTek FUNDS

Growth-oriented companies in Chula Vista and San Diego County may qualify for loans under the EmTek Fund. Companies that promote job creation and retention and serve low-income areas may apply to the fund for working capital, equipment financing and related funding. Financing is provided in the form of secured, revolving loans, generally ranging from \$50,000 to \$250,000. Administered by the City of San Diego, this funding source applies to companies meeting the Small Business Administration's (SBA's) definition of a small business located anywhere in San Diego County.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

Business Finance Officer
(619) 533-6526

INDUSTRIAL DEVELOPMENT BONDS

The Chula Vista City Council has the ability to issue tax-exempt bonds for large manufacturers. Known as "Industrial Development Bonds" or "IDBs", these bonds offer low cost, long-term financing (up to 40 years) for up to \$10 million in capital expenditures, including building construction and equipment acquisition.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047



PERSONAL PROPERTY TAX REBATES

California's revenue and tax code gives cities, counties, and redevelopment agencies the authority to rebate all or a portion of their respective shares of a business's personal property tax for certain manufacturing projects that create at least 10 new full-time manufacturing jobs. Personal property taxes apply to office furniture, supplies, certain leasehold improvements, equipment and tools (but not inventory) and are levied annually at a rate of roughly 1% of the market value. The rebate is available for a five-year period. Approvals by the Chula Vista City Council and the San Diego County Board of Supervisors are required.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

RECYCLING MARKET DEVELOPMENT ZONE (RMDZ) LOANS

Businesses in the Chula Vista/South San Diego Recycling Market Development Zone (RMDZ) are eligible for low-interest loans of up to 50% of the cost of a project (not to exceed \$2 million). Additionally, businesses in the Chula Vista/South San Diego RMDZ can participate in the California Recycling Investment Tax Credit program. This program provides a 40% tax credit (not to exceed \$250,000) to businesses which purchase equipment used to manufacture products containing at least 50% recycled content.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

California Integrated Waste Management Board Regional Credit Manager
(916) 341-6530
www.ciwmb.ca.gov/RMDZ

SDG&E'S SAVINGS BY DESIGN INCENTIVES

Through SDG&E's "Savings by Design" program, companies involved in new construction can receive free technical design review assistance, including facilitating the integration of any energy-efficient design modifications into the final building plans. Financial incentives may be available to owners when the energy efficiency of the building exceeds minimum thresholds; the maximum available incentive per building is \$250,000.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

San Diego Gas and Electric
(619) 641-7149
www.sdge.com/CI/savings

SMALL BUSINESS ADMINISTRATION (SBA) PROGRAMS

The federal Small Business Administration (SBA) offers a variety of loan and loan guarantee programs for small businesses unable to obtain traditional financing. Businesses must operate for-profit and meet the qualifying standards established by the SBA.

- **504 Debenture Loans** – provides up to \$1 million in financing to buy, build or remodel industrial and commercial buildings or to purchase machinery and equipment; low down payments, fixed, below market interest rates and extended terms are available.
- **7(a) Loan Guarantees** – guarantees up to \$750,000 with maturities from one to 25 years, at varying rates above prime rate; proceeds may be used for business acquisitions and start-ups, purchasing or remodeling real estate, leasehold improvements, equipment purchases, working capital, inventory or debt consolidation.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

CDC Small Business Finance Corporation
(619) 291-3594

SMALL BUSINESS INNOVATION RESEARCH (SBIR)

Small Business Innovation Research (SBIR) is a competitive program that encourages small businesses to explore technological research and development. SBIR reserves a specific percentage of federal R&D funds for small business, enabling small companies to compete on the same level as larger businesses. SBIR funds can be used for startup and development stages of technology, product, or service commercialization. The San Diego Regional Technology Alliance can facilitate company access to this Small Business Administration program.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

RTA
(619) 615-1050
www.sba.gov/SBIR/sbir



SOUTH BAY ENTERPRISE ZONE (SBEZ)

The South Bay Enterprise Zone, part of the California Enterprise Zone (EZ) program, was created to encourage business investment and job creation in certain economically disadvantaged geographic areas of the community. All businesses – industrial and commercial – located within the boundaries of the South Bay Enterprise Zone are eligible for substantial incentives and benefits.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

Resource Development Section
(916) 845-3464
www.ftb.ca.gov

VANPOOLING SUBSIDIES

Chula Vista and San Diego County companies offering vanpooling programs as transportation options for their employees may be eligible for a series of incentives, including \$300/month subsidies through the San Diego Association of Governments (SANDAG) regional commuter vanpool program. Tax credits are also available to employers that offer stipends towards vanpool costs.

For further information, contact

Chula Vista Community Development Department
(619) 691-5047

RideLink
1-800-COMMUTE
www.sdcommute.com/van_pool

CALIFORNIA TAX CREDITS

Manufacturer's Investment Tax Credit

Manufacturers operating in California are eligible for a 6% investment credit that can be used to offset income and franchise tax based upon the purchase or lease of manufacturing and related depreciable equipment. Bio-pharmaceutical manufacturing, special purpose buildings and foundations used as part of the manufacturing process or buildings that constitute research and storage facilities used during the manufacturing process may also generate a qualified equipment credit.

Research and Development Tax Credit

California organizations engaged in research and development may receive a credit based on qualified research expenses to apply against their state tax liability. The credit is 12% for qualifying research expenses (research done in-house) and 24% for basic research payments (payments to an outside company), the highest credits available in the nation. *Note: The same corporation can use the Manufacturers' Investment Credit and the Research and Development Credit concurrently.*

Child Care Tax Credit

Employers who pay or incur costs for the start-up of a child care program or construction of an on-site child care facility are eligible for a credit against state income taxes equal to 30% of costs, up to a maximum of \$50,000 in one year. Excess credits may be carried over to succeeding years.

